Facultat d'Economia i Empresa

External trade

Code: 102342 **Grup 4**
Academic year: 2018-2019 Fall term

Midterm Exam

(Duration: 120 minutes)

Problem 1 (2 points)

Provide a short description of the following concepts and their domain of application in the theory of the external trade

1) Release of the merchandise
2) TARIC
3) Passive temporary importation under bond
4) Custom Union
5) CESCE

Problem 2 (1 point)

Referring to the national account, provide a formalised argument about the importance to held a positive trade balance to compensate a structural deficit in order to guarantee sustainable economic conditions in a country.

Problem 3 (2 points)

The production of a clocks involves the combination of material for 30€ and labour for 50€. The national government decides to implement a tariff-policy to protect the national industry. It is thinking of introducing an *ad-valorem* tariff of 15% on the imports of clocks. In addition, instead of introducing a tariff on the import of the final product, it is also evaluating the possibility to introduce a tariff on the import of material for clocks. This tariff will be (again) an *ad-valorem* tariff of 20%.

Compute the nominal and effective rate of protection under the two hypotheses. Which is the best policy to be adopted for the local producers of clocks? If, instead, the government will decide to adopt the two policies jointly: will the national producers be even more protected?

Problem 4 **(2.5 points)**

In Barcelona, a seller of exotic birds signed a contract for importing 5 parrots from Rio de Janeiro (Brasil). The merchandise will be delivered by plane with a technical stop in Tenerife Nord airport (Canarias). Provide a detailed description of:
-The different documents and/or certificates that have to be produced in order to perform this import;
- The different import steps paying attention for discussing the places, the tasks and the agents expected to be involved up to get the merchandise ready to be sold in Barcelona.

Problem 5 **(2.5 points)**

Consider the following data (in millions euros, source INE):

	Imports CIF		Exports FOB	
	2012	2013	2012	2013
Albania	159	171	49	44
Belgium	6044	6393	6265	6114
Bulgaria	502	467	1044	1330
Germany	27989	27749	23872	23561
Finland	867	840	626	709
UK	10465	9846	14243	15837

Compute the trade balance, the export quota and an index of competitiveness. Discuss the results by identifying:

a) The changes that experienced these countries,
b) The countries running a permanent deficit, a permanent surplus, and the corresponding meaning for the stability of their economies,
c) The most and the less competitive economies referring to the benchmarks discussed in class.